

HOUSE BILL 859

C2, Q1, C1

7lr1078

By: Delegates Carr, Brooks, Chang, Clark, Clippinger, Glenn, Haynes, Impallaria,
Kramer, Krimm, Lierman, Lisanti, McDonough, McKay, A. Miller, W. Miller,
Rose, Waldstreicher, and P. Young

Introduced and read first time: February 3, 2017

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Business Regulation – Trader’s and Chain Stores Licenses and Personal**
3 **Property Tax – Fees and Exemptions**

4 FOR the purpose of repealing the provision of law that a certain person have a chain store
5 license under certain circumstances and pay a certain fee for a certain chain store
6 license; altering the amount of the fee for a certain trader’s license; repealing the
7 requirement that the amount of the fee for a trader’s license be based on the value
8 of an applicant’s stock-in-trade; exempting a visually handicapped applicant who
9 meets certain standards or Blind Industries and Services of Maryland from a certain
10 trader’s license fee; repealing certain provisions of law relating to a dispute
11 regarding the value of a trader’s stock-in-trade and certain refunds for payment of
12 an excess license fee; exempting a person who holds a certain trader’s license from a
13 certain fee for filing a certain annual report; exempting from municipal corporation
14 property tax certain personal property of a person engaged in a commercial business;
15 providing for the application of this Act; and generally relating to various fees and
16 exemptions for holders of trader’s licenses and personal property tax.

17 BY repealing and reenacting, with amendments,
18 Article – Business Regulation
19 Section 17–1801, 17–1806, and 17–1808 to be under the amended subtitle “Subtitle
20 18. Traders”
21 Annotated Code of Maryland
22 (2015 Replacement Volume and 2016 Supplement)

23 BY repealing
24 Article – Business Regulation
25 Section 17–1805, 17–1809, and 17–1812
26 Annotated Code of Maryland
27 (2015 Replacement Volume and 2016 Supplement)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 BY repealing and reenacting, with amendments,
2 Article – Corporations and Associations
3 Section 1–203(b)(3)(ii)
4 Annotated Code of Maryland
5 (2014 Replacement Volume and 2016 Supplement)

6 BY adding to
7 Article – Corporations and Associations
8 Section 1–203(b)(15)
9 Annotated Code of Maryland
10 (2014 Replacement Volume and 2016 Supplement)

11 BY repealing and reenacting, with amendments,
12 Article – Tax – Property
13 Section 7–109(a)
14 Annotated Code of Maryland
15 (2012 Replacement Volume and 2016 Supplement)

16 BY repealing and reenacting, without amendments,
17 Article – Tax – Property
18 Section 7–222
19 Annotated Code of Maryland
20 (2012 Replacement Volume and 2016 Supplement)

21 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
22 That the Laws of Maryland read as follows:

23 **Article – Business Regulation**

24 **Subtitle 18. Traders [and Chain Stores].**

25 17–1801.

26 (a) In this subtitle the following words have the meanings indicated.

27 (b) “Blind Industries” means Blind Industries and Services of Maryland.

28 (c) [“Chain store license” means a license issued by the clerk to operate 2 or more
29 stores under the same general management or ownership.

30 (d)] “Exhibitor” means a person who rents space from a promoter to display and
31 sell goods at a show.

32 [(e)] (D) “Licensed trader” means a trader who is licensed by the clerk under this
33 subtitle.

1 **[(f)] (E)** “Promoter” means a person who rents space at a show to an exhibitor.

2 **[(g)] (F)** “Show” includes an antique show, coin show, flea market, gun show,
3 stamp show, and show of a temporary nature.

4 **[17–1805.**

5 A person must have a chain store license whenever the person operates 2 or more
6 retail stores under the same general management or ownership in the State.]

7 **17–1806.**

8 (a) An applicant for a trader’s license shall state in the application the place
9 where the applicant will do business as a trader.

10 (b) (1) **[This subsection does not apply if the average value of the applicant’s**
11 stock in trade exceeds \$10,000.

12 (2)] An applicant for a trader’s license may apply under this subsection if
13 the applicant has a defect in vision such that:

14 (i) visual acuity in the applicant’s better eye does not exceed 20/140
15 with correcting lenses; or

16 (ii) the widest diameter of the applicant’s visual field subtends an
17 angle not exceeding 20 degrees.

18 **[(3)] (2)** An applicant for a trader’s license under this subsection shall
19 submit to the clerk:

20 (i) a signed certificate, from a licensed physician who specializes in
21 treatment of the eye, that the applicant’s vision meets the standard of paragraph **[(2)] (1)**
22 of this subsection; and

23 (ii) an affidavit that the applicant is the owner of the place of
24 business listed in the application.

25 **[(4)] (3)** Blind Industries also may apply for a trader’s license under this
26 subsection for a business that it operates, if Blind Industries submits to the clerk an
27 affidavit that:

28 (i) Blind Industries operates the business listed in the application;
29 and

30 (ii) the manager of the business has vision that meets the standard
31 of paragraph **[(2)] (1)** of this subsection.

1 17-1808.

2 (a) (1) Except as otherwise provided in this section, an applicant for a trader's
3 license shall pay to the clerk [a] THE license fee [based on the value of the applicant's
4 stock-in-trade] REQUIRED UNDER PARAGRAPH (2) OF THIS SUBSECTION.

5 (2) In [a county other than] Baltimore City or [Baltimore County] A
6 MUNICIPALITY, the license fee is[:

- 7 (i) \$15, if the value of the applicant's stock-in-trade is not more
8 than \$1,000;
- 9 (ii) \$18, if the value is more than \$1,000 but not more than \$1,500;
- 10 (iii) \$20, if the value is more than \$1,500 but not more than \$2,500;
- 11 (iv) \$25, if the value is more than \$2,500 but not more than \$4,000;
- 12 (v) \$30, if the value is more than \$4,000 but not more than \$6,000;
- 13 (vi) \$40, if the value is more than \$6,000 but not more than \$8,000;
- 14 (vii) \$50, if the value is more than \$8,000 but not more than \$10,000;
- 15 (viii) \$65, if the value is more than \$10,000 but not more than \$15,000;
- 16 (ix) \$80, if the value is more than \$15,000 but not more than \$20,000;
- 17 (x) \$100, if the value is more than \$20,000 but not more than
18 \$30,000;
- 19 (xi) \$125, if the value is more than \$30,000 but not more than
20 \$40,000;
- 21 (xii) \$150, if the value is more than \$40,000 but not more than
22 \$50,000;
- 23 (xiii) \$200, if the value is more than \$50,000 but not more than
24 \$75,000;
- 25 (xiv) \$250, if the value is more than \$75,000 but not more than
26 \$100,000;
- 27 (xv) \$300, if the value is more than \$100,000 but not more than
28 \$150,000;

- 1 (xvi) \$350, if the value is more than \$150,000 but not more than
2 \$200,000;
- 3 (xvii) \$400, if the value is more than \$200,000 but not more than
4 \$300,000;
- 5 (xviii) \$500, if the value is more than \$300,000 but not more than
6 \$400,000;
- 7 (xix) \$600, if the value is more than \$400,000 but not more than
8 \$500,000;
- 9 (xx) \$750, if the value is more than \$500,000 but not more than
10 \$750,000; or
- 11 (xxi) \$800, if the value is more than \$750,000] **\$325**.
- 12 (3) In Baltimore [City] COUNTY, the license fee is[:
- 13 (i) \$20, if the value of the applicant's stock-in-trade is not more
14 than \$1,000;
- 15 (ii) \$40, if the value is more than \$1,000 but not more than \$5,000;
- 16 (iii) \$80, if the value is more than \$5,000 but not more than \$10,000;
- 17 (iv) \$160, if the value is more than \$10,000 but not more than
18 \$50,000;
- 19 (v) \$375, if the value is more than \$50,000 but not more than
20 \$100,000;
- 21 (vi) \$1,000, if the value is more than \$100,000 but not more than
22 \$300,000;
- 23 (vii) \$1,500, if the value is more than \$300,000 but not more than
24 \$750,000; or
- 25 (viii) \$2,125, if the value is more than \$750,000] **\$300**.
- 26 (4) In A COUNTY OTHER THAN Baltimore County, the license fee is[:
- 27 (i) \$20, if the value of the applicant's stock-in-trade is not more
28 than \$1,000;
- 29 (ii) \$40, if the value is more than \$1,000 but not more than \$5,000;

- 1 (iii) \$80, if the value is more than \$5,000 but not more than \$10,000;
2 (iv) \$160, if the value is more than \$10,000 but not more than
3 \$50,000;
4 (v) \$375, if the value is more than \$50,000 but not more than
5 \$100,000;
6 (vi) \$450, if the value is more than \$100,000 but not more than
7 \$200,000;
8 (vii) \$500, if the value is more than \$200,000 but not more than
9 \$300,000;
10 (viii) \$775, if the value is more than \$300,000 but not more than
11 \$400,000;
12 (ix) \$1,000, if the value is more than \$400,000 but not more than
13 \$500,000;
14 (x) \$1,250, if the value is more than \$500,000 but not more than
15 \$750,000; and
16 (xi) \$1,600, if the value is more than \$750,000] **\$225.**

17 (b) [(1) This subsection does not apply to a domestic corporation that has
18 shares subject to taxation under State law.

19 (2) In determining the value of an applicant's stock-in-trade, the clerk
20 shall accept as prima facie evidence the values shown on the certification of the State
21 Department of Assessments and Taxation required by § 17-302 of this title.

22 (c) Notwithstanding the provisions of this section, if the average value of the
23 applicant's stock-in-trade is \$10,000 or less, a] **A LICENSE FEE SHALL BE WAIVED FOR:**

24 **(1)** A visually handicapped applicant who meets the standards of §
25 [17-1806(b)(2)] **17-1806(B)(1)** of this subtitle [or Blind Industries shall pay to the clerk
26 a license fee of only \$6]; **AND**

27 **(2) BLIND INDUSTRIES.**

28 [17-1809.

29 (a) This section does not apply to an automobile service station where the
30 principal business is the sale or distribution of motor fuel.

(b) (1) An applicant for a chain store license shall pay to the clerk a license fee based on the value of the applicant's stock-in-trade under § 17-1808 of this subtitle and an additional license fee.

(2) In a county other than Baltimore City, Baltimore County, or Cecil County, the additional license fee is:

- (i) \$5 for each store for 2 to 5 stores;
- (ii) \$20 for each store for 6 to 10 stores;
- (iii) \$100 for each store for 11 to 20 stores; or
- (iv) \$150 for each store for more than 20 stores.

(3) In Baltimore City or Baltimore County, the additional license fee is:

- (i) \$12 for each store for 2 to 5 stores;
- (ii) \$50 for each store for 6 to 10 stores;
- (iii) \$250 for each store for 11 to 20 stores; or
- (iv) \$375 for each store for more than 20 stores.

(4) In Cecil County, the additional license fee is:

- (i) \$10 for each store for 2 to 5 stores;
- (ii) \$30 for each store for 6 to 10 stores;
- (iii) \$100 for each store for 11 to 20 stores; and
- (iv) \$300 for each store for more than 20 stores.]

[17-1812.

(a) (1) If a trader disputes the value of the trader's stock-in-trade on which the license fee is based, the trader may submit in accordance with the Tax – Property Article an appeal to the State Department of Assessments and Taxation as to the value of the stock-in-trade.

(2) To avoid being in default, the trader may pay the license fee and get a trader's license with the understanding that the trader will get a refund of any excess amount paid for the trader's license.

(b) (1) If the State Department of Assessments and Taxation reduces the value of the stock-in-trade, resulting in a lower license fee, the licensed trader may get a refund of any excess amount paid by submitting to the clerk who issued the trader's license:

(i) a claim for the refund; and

(ii) supporting evidence of the reduction from the State Department of Assessments and Taxation.

(2) On approving the claim, the clerk shall pay the refund.

(c) If the clerk pays a refund, the clerk shall deduct the amount of the refund from the license fees distributed to the county or municipal corporation that receives the fee.]

Article – Corporations and Associations

1–203.

(b) (3) (ii) Except as provided in [paragraph (14)] **PARAGRAPHS (14) AND (15)** of this subsection, for each of the following documents which are filed but not recorded, the filing fee is as indicated:

Annual report of a Maryland corporation, except a charitable or benevolent institution, nonstock corporation, savings and loan corporation, credit union, family farm, and banking institution.....	\$300
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Annual report of a foreign corporation subject to the jurisdiction of this State, except a national banking association, savings and loan association, credit union, nonstock corporation, and charitable and benevolent institution.....	\$300
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Annual report of a Maryland savings and loan association, banking institution, or credit union or of a foreign savings and loan association, national banking association, or credit union that is subject to the jurisdiction of this State	\$300
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Annual report of a Maryland limited liability company, limited liability partnership, limited partnership, or of a foreign limited liability company, foreign limited liability partnership, or foreign limited partnership, except a family farm.....	\$300
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Annual report of a business trust.....	\$300
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Annual report of a real estate investment trust or foreign statutory trust doing business in this State	\$300
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Annual report of a family farm.....	\$100
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1 **(15) THE DEPARTMENT SHALL WAIVE THE FILING FEE DESCRIBED**
2 **UNDER PARAGRAPH (3)(II) OF THIS SUBSECTION FOR A BUSINESS ENTITY THAT**
3 **HOLDS A TRADER'S LICENSE ISSUED UNDER TITLE 17 OF THE BUSINESS**
4 **REGULATION ARTICLE.**

5 **Article – Tax – Property**

6 7–109.

7 (a) The **STOCK IN BUSINESS OF A PERSON ENGAGED IN A MANUFACTURING**
8 **BUSINESS AND THE** personal property described in §§ [7–222,] 7–225[,] and 7–226 of this
9 title [is] **ARE** subject to the municipal corporation property tax unless exempted in full or
10 in part by the governing body of the municipal corporation by law.

11 7–222.

12 (a) Except as provided in § 7–109 of this title and in subsection (b) of this section,
13 the stock in business of a person engaged in a manufacturing or commercial business is not
14 subject to property tax.

15 (b) Except as provided by § 7–108 of this title, the personal property described in
16 subsection (a) of this section is subject to a county property tax on 35% of its assessment in
17 Wicomico County.

18 **SECTION 2. AND BE IT FURTHER ENACTED,** That this Act shall take effect
19 October 1, 2017, and shall be applicable to all taxable years beginning after December 31,
20 2017.